OceanX - Version 2.0 / May 2020

Market Report:
REPUBLIC OF PARAGUAY

March 2020

Country Profile:

Capital:	**Asunción**
Population:	**7,152,703 , 2018:6,956,071**
Area:	**406,752 km²**
Official Language:	**Spanish, Guarani**
Currency Unit:	**Guaraní (PYG)**
	1USD: 6,547.25 PYG
GDP (Current, 2018) Thousands:	**40,496,953.78**
GDP per capita (2018):	**5,821.8**
GDP Growth Rate (2018):	**2.3%**
Inflation Rate (2018):	**3.98%**
Unemployment Rate(2018):	**6.2%**
Tax Revenue	**9.95%**
Imports of Goods and services (% of GDP):	**13.93**
Exports of Goods and services (% of GDP):	**14.58**

* (Source World Bank Data)

General Facts:

Paraguay is one of the fastest growing economies in Latin America. Country's public debt is low, foreign exchange reserves are at an appropriate level, inflation and unemployment are under control, and economic indicators are positive. According to World Bank Paraguay has achieved impressive economic growth and shared prosperity over the last 15 years. The economy grew at 4.5 percent per year on average (2004-2017), faster than most of its regional comparators.
Paraguay economy mostly based on agriculture and livestock by employing one third of the total working population, the agricultural sector generates 64% of export earnings. The fourth largest soybean exporter in the world.

Grains, soybeans, maize and wheat export through rail transport are which connects to the railway systems of Argentina and Brazil.

Paraguay is a national territory, having no sea ports, river transport is important for the country's economy. Dams and power plants installed on rivers in the country provide a significant amount of electrical energy and make the country a clean and renewable energy exporter.

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It has two large hydroelectric complexes: the Binacional de Itaipú (joint project with Brazil, completed in 1987) and the Yacyretá Binational (joint project with Argentina, completed in March 1997), whose weight in GDP in 2018 was 8.1% (jointly water and electricity).

There is a third national hydroelectric plant, that of Acaray, whose production reaches a figure enough to cover domestic demand.

Paraguay is the smallest partner of MERCOSUR.

Corporate tax: 10%
Income Tax: Personal Income Tax 10%
Standard VAT rate: 10%

Paraguay is located in the heart of South America. Surround by rivers, Paraguay owns the 3rd largest fluvial fleet in the world after USA and China. 39 Private ports located over Paraguay river and 9 over Paraná river.

Paraguay produces 7 Million Tons of Soybean and 2 million Tons of Vegetal oil. Mainly exported by a complex multimodal mode.

Until the 70s of the previous century most of Paraguay transportation were carried by barge through Paraná and Paraguay rivers linking the capital and other ports to the Atlantic Coast via Argentina. From the 70's onward, road transportation has opened new alternatives for Paraguay imports and exports through Brazilian ports of Santos and Paranaguá. The rising fuel cost has lately increased a return to river transportation again.

Paraguay is also a larger importer due to the lack of local industries, and depends on Argentinian and Uruguayan ports for that. The biggest problem encountered is the water levels decrease in Paraguay river, which causes containers delay and occasionally high shipping costs.
Paraguay and Asunción in particular has the advantage of its geographical position serving as distribution centre. It takes only an hour and half in average to/from many south American airports (Buenos Aires, San Pablo and Santiago de Chile)

An attractive advantage for foreign investment, multinationals and 3PLs setting up distribution centers in Paraguay. Seeking also the political, monetary stability and tax advantages.

EXPORT MARKET

Export Trade Volume (2019): M.USD 13,272

Top Commodities: Soybean seeds, Hydroelectric power plants, Meat and edible meat offal, Soy flour, Cereals, Soybean oil

Top Destination Countries: Brazil, Argentina, Russia, Chile, India

Beside the production and export of Soybean and Vegetal Oils, Paraguay has succeeded in developing Meat exports which were traditionally a monopoly by its neighboring countries. Today Paraguayan meat is as available in the world and as famous as Uruguayan and a Argentinian one.

IMPORT MARKET

Import Trade Volume (2019): M.USD 12,597.97

Top Commodities: Machines, apparatus and electrical material, and his parts, Mineral fuels, Nuclear reactors, boilers, machines, others, Motor vehicles, Diverse products of the industries chemical, Plastic and its manufactures

Top Origin Countries: China, Brazil, Argentina, USA, Holland

*Source: Banco Central de Paraguay, Jan.2019

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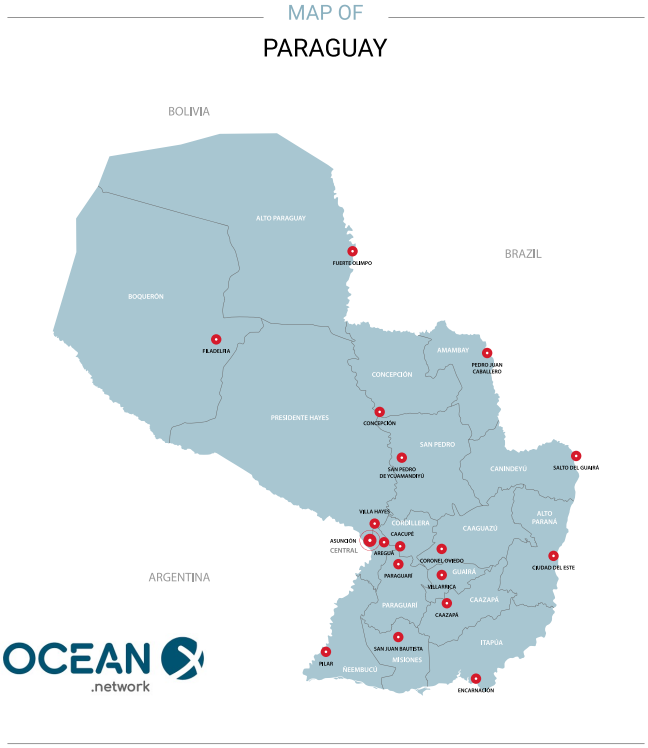
Main Ports:

Here's an overview on the top 5 ports in Paraguay. Asuncion, Villeta, San Antonio and Encarnacion(Parana)



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